Middle East Diamond Resources Limited
(formerly Sable Metals and Minerals Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2001/006539/06)
JSE share code: MED ISIN: ZAE000211876
("MEDR or "the company" or "the group")

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE 6 MONTHS ENDED 31 AUGUST 2016 (RESTATED)

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2016

	Change	Unaudited 6 months ended 31 Aug 2016	Unaudited 6 months ended 31 Aug 2016
Assets		**RESTATED**	**AS REPORTED**
Non-Current Assets			
Other Financial Assets	(153,780)	249,515	403,295
Current Assets			
Trade and other receivables	-	273,646	273,646
Cash and cash equivalents	(1,200)	5,483	6,683
	(1,200)	279,129	280,329
Total Assets	(154,980)	528,644	683,624
Equity and Liabilities			
Equity			
Share Capital	-	99,468,435	99,468,435
Accumulated loss	(324,989)	(103,051,247)	(102,726,258)
Equity attributable to owners of the parent	(324,989)	(3,582,812)	(3,257,823)
Non-controlling interest	324,989	(12,969)	(337,958)
Total equity	-	(3,595,781)	(3,595,781)
Liabilities			
Non-Current Liabilities			
Other financial liabilities	(154,980)	317,520	472,500
Current Liabilities			
Trade and other payables	-	3,806,905	3,806,905
	-	3,806,905	3,806,905
Total Liabilities	(154,980)	4,124,425	4,279,405
Total Equity and Liabilities	(154,980)	528,644	683,624
Issued shares (number)		435,126,517	435,126,517
Net asset value per share (cents)		(0.82)	(0.75)
Tangible net asset value per share (cents)		(0.82)	(0.75)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 31 AUGUST 2016 (RESTATED)

	Change	Unaudited 6 months ended 31 Aug 2016 RESTATED	Unaudited 6 months ended 31 Aug 2016 AS REPORTED
Sales	-	-	-
Cost of Sales	-	-	-
Gross profit	-	-	-
Operating expenses	-	(1,489,660)	(1,489,660)
Operating loss	-	(1,489,660)	(1,489,660)
Finance costs	-	(36,808)	(36,808)
Loss before taxation	-	(1,526,468)	(1,526,468)
Taxation	-	-	-
Loss for the year from continuing operations	-	(1,526,468)	(1,526,468)
Loss for the period attributable to:			
Owners of the parent	-	(1,526,468)	(1,526,468)
Non-controlling interest	-	-	-
Loss for the period	-	(1,526,468)	(1,526,468)
Headline loss reconciliation - continuing operations			
Net loss for the year		(1,526,468)	(1,526,468)
Headline loss		(1,526,468)	(1,526,468)
Weighted average number of shares		435,126,517	435,126,517
Fully diluted WA number of shares		435,126,517	435,126,517
Loss per share (cents)		(0.35)	(0.35)
Diluted loss per share (cents)		(0.35)	(0.35)
Headline loss per share (cents)		(0.35)	(0.35)
Diluted headline loss per share (cents)		(0.35)	(0.35)

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2016

	Share Capital	Share-based payment reserve	Accumulated loss	Non-controlling interest	Total Equity
Balance at 1 March 2015	97,889,857	1,778,618	(100,928,894)	(88,578)	(1,348,997)
Familia loan restatement	(10,000,000)				(10,000,000)
Restated balance - 1 March 2015	87,889,857	1,778,618	(100,928,894)	(88,578)	(11,348,997)
Comprehensive loss for the year			(270,896)	(312,000)	(582,896)
Transactions with owners in their capacity as owners of equity					
Subscription for shares	8,000,000				8,000,000
Capitalisation costs on subscription	(245,218)				(245,218)
Share incentive scheme charge		2,045,178			2,045,178
Disposal of subsidiary				62,620	62,620
Transfer from other reserves	3,823,796	(3,823,796)			-
Balance at 29 February 2016 as previously presented	99,468,435	-	(101,199,790)	(337,958)	(2,069,313)
Comprehensive loss for the period			(1,526,468)		(1,526,468)
Balance at 31 August 2016 as previously presented	99,468,435		(102,726,258)	(337,958)	(3,595,781)
Correction of error as disclosed in the audited financial statements			(324,989)	324,989	-
Balance at 31 August 2016 as restated	99,468,435	-	(103,051,247)	(12,969)	(3,595,781)

CONDENSED STATEMENT OF CASH FLOWS FOR THE 6 MONTHS ENDED 31 AUGUST 2016 (RESTATED)

	Change	Unaudited 6 months ended 31 Aug 2016	Unaudited 6 months ended 31 Aug 2016
		RESTATED	AS REPORTED
Cash flows from operating activities			
Cash utilised in operations	154,980	(674,945)	(829,925)
Finance costs paid	-	(36,808)	(36,808)
Net cash from operating activities	154,980	(711,753)	(866,733)
Cash flows from investing activities			
Proceeds from restricted cash	-	-	-
Net cash from investing activities	-	-	-
Cash flows from financing activities			
Proceeds from financial liabilities	(154,980)	317,520	472,500
Net cash from financing activities	(154,980)	317,520	472,500
Total cash movement for the year	-	(394,233)	(394,233)
Cash at the beginning of the year	(1,200)	399,716	400,916
Cash at the end of the year	(1,200)	5,483	6,683

RESTATEMENT OF RESULTS AT 29 FEBRUARY 2020

During the audit of the annual financial statements for the 4 years ended 28 February 2017, 28 February 2018, 28 February 2019 and 29 February 2020, a restructure agreement for the disposal of subsidiaries that was not affected was identified.

This resulted in a decrease in finance income and operating expenses in the company of R1,381,080. The groups Statement of financial position is affected by an increase in Loans receivable to prior subsidiaries of R1,384,510, a decrease in Financial Assets of R153,780, decrease in Cash of R1,200 and a decrease in Outside Shareholders Interest of R324,989. The Statement of comprehensive income is affected by a decrease in finance income of R1,381,080 and an increase in profit on disposal of subsidiaries of R2,285,622.

In this regard we refer you to the audited financial statements for the years ended 29 February 2020, 28 February 2019, 28 February 2018, 28 February 2017 and 29 February 2016 (Restated).

RESTATEMENT OF RESULTS AT 31 AUGUST 2016

As a result of the restatement of the results at 29 February 2016 as above, the previously reported results for the period ended 31 August 2016 have been restated as follows:

The groups Statement of financial position is affected by a decrease in Financial Assets of R153,780, decrease in Cash of R1,200 and a decrease in Other Financial Liabilities of R154,980.

The groups Statement of financial position is affected by a decrease in Outside Shareholders Interest of R324,989 and an increase in Accumulated Loss of R324,989.

The Statement of comprehensive income as previously reported remained as previously reported as there is no effect on income and expenses during this period.

The results of the Company were not affected by the restatement.

OPERATIONS, MARKETS AND FINANCIAL PERFORMANCE

Financial performance for the 6 months ended 31 August 2016

The group is still in the exploration phase and is investigating various acquisitions and therefore does not generate cash from its activities.

The company's expenses mainly consist of management fees and general costs related to a listed entity. Management continue to monitor the cash flow situation on an ongoing basis, and take steps to reduce expenditure.

As is common with many junior exploration and mining companies, the group raises capital for exploration and other projects as and when required.

SEGMENT REPORTING

Whilst the company retains various platinum prospecting rights, during the period the group currently operated in one segment relating to the expenditure on acquisitions in the diamond sector.

BASIS OF PREPARATION

The groups financial results for the 6 months ended 31 August 2016 constitute a summary prepared in accordance with the JSE Listings Requirements, the South African Companies Act, 2008 as amended (the Companies Act), and the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and the presentation and disclosure requirements of IAS 34 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee or its successor of the group's audited financial statements.

The accounting policies applied in the preparation of these condensed consolidated interim financial statements comply with IFRS and are consistent with those used in the annual financial statements for the year ended 29 February 2016.

The interim financial statements have been prepared by Deon Botha CA (SA), appointed as part-time financial director on 4 December 2020.

GOING CONCERN

The group continued to incur losses in the 6 month period. The interim results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments, will occur in the ordinary course of business.

MEDR is an exploration company not yet in a cash generating position which is obliged to fund exploration through equity investments. The group is currently exploring options available to it to enable it to raise further capital in order to continue its exploration and acquisition programme and to cover all general and administration costs. The group's future prospects and stability rely on its ability to raise further capital for the ensuing years.

At 31 August 2016 the group had negative equity attributable to equity holders of R3,6 million. The group incurred a net loss of R1,526,468 for the 6 months ended (compared to the R4,128,961, including loss from discontinued operations of R2,857,051, in the comparative period) and, as that date, the group's total liabilities, fairly valued, exceeded its total assets by R3,6million.

It should be noted that the majority of this liability is to Sable Platinum Mining Limited, the company that was spun off in terms of the restructuring of the group in January 2016, and to current directors.

DIVIDEND POLICY

No dividend has been declared for the interim period.

CHANGES TO THE BOARD

The following changes were made to the board for the period 1 March 2017 to date:

Eshaan Singh	Resigned 29 July 2016, Reappointed 7 February 2017
Afzal Ahmed Jagot	Appointed 29 July 2016, Resigned 4 January 2017
Charles Philip Mostert	Resigned 29 July 2016, Reappointed 7 February 2017
David Norton Levithan	Resigned 20 September 2016
Richard Mhlontlo	Appointed 29 July 2016, Resigned 14 January 2019
Deon Botha CA (SA)	Appointed as part-time financial director - 4 December 2020
Enver Mohamed Motala	Appointed 28 January 2021

LITIGATION

The company is not aware of any legal or arbitration proceedings (including any such proceedings which are pending or threatened), which may have or may have had, in the last 6 months, a material effect on the group's financial position.

By order of the board
Sandton
25 February 2021

Executive directors: James Allan (chief executive officer), Deon Botha (financial director - part-time)
Non-executive directors: Sheikh Abdulla Khalfan Humaid Nasser, Said Tinawi, Enver Motala
Independent non-executive directors: Charles Mostert, Eshaan Singh
Registration number: 2001/006539/06
Registered address: Kingsley Office Park, 85 Protea Road, Chislehurston, 2196
Business postal address: PO Box 411130, Craighall, 2024
Company secretary: Claire Middlemiss
Transfer secretaries: Computershare Investor Services Proprietary Limited
Sponsor: Exchange Sponsors (2008) Proprietary Limited